



Testimony of Sue Egan
President, AFSCME Local 1186
Labor and Public Employees Committee
**HB 6931: AN ACT CONCERNING NEW MUNICIPAL EMPLOYEES
AND THE MUNICIPAL EMPLOYEES RETIREMENT SYSTEM**
March 3, 2015

Good afternoon, Senator Gomes, Representative Tercyak, members of the Labor and Public Employees Committee. My name is Sue Egan, I am the president of AFSCME Local 1186, representing front-line New Britain city and Board of Education employees.

I am here today to testify on HB 6931: An Act Concerning New Municipal Employees and the Municipal Employees Retirement System.

I've worked for the City of New Britain for 16 years. I also live in and pay taxes in New Britain. This bill, if passed, would hurt me twice. It would make it harder for me to retire and it will drive up taxes in New Britain.

I am a Parks Foreperson, not an investment professional. None of my members are professional money managers either. The benefit of a real pension plan, and one of the reasons the system has worked so well for so long, is because collectively cities, towns and the state are able to hire professionals to pool our resources to manage risk in a way that ensures that I can retire one day. I do not know the mechanics of it, but I know that the real pension plan keeps me dedicated to working for the City.

A 401(k) savings plan means I need to be that investment professional. I would need to figure out which stocks are the right stocks. I would need to figure out when the next recession will hit so I move my money out first. And I would need to figure out when I am going to die so I know how much money I can spend each year of my life.

It's no wonder that those with 401(k)s are less able to afford retirement. I see in New Britain too many elderly who chose between heating fuel, medications, and food. As a community, we step in to help. It's the right thing to do, but it also comes with costs to us taxpayers. I personally don't want to be in that situation.

Most aggravating of all is that this is unnecessary. I've paid into the MERS plan. My members have paid into the MERS plan. We've taken smaller raises and given up benefits to make sure the City can pay their share into the plan. The plan is funded, it works. Let's not fix what is not broken.

I urge you to reject this bill.

Thank you for the opportunity to testify. I would be happy to take any questions.